GOVERNMENT OF INDIA
MINES
LOK SABHA

STARRED QUESTION NO:330
ANSWERED ON:08.12.2016
Welfare Schemes/Programmes by Mining Companies
Chavan Shri Harishchandra Deoram;Giluwa Shri Laxman

Will the Minister of MINES be pleased to state:

(a) the details of welfare schemes/programmes being run by the mining companies operating in the tribal areas of the country along with the rules/guidelines framed for the same;

(b) whether several companies have not implemented the said schemes/ programmes during the last three years; and

(c) if so, the details thereof and the action taken by the Government thereon along with the outcome achieved as a result of the same?

Answer

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.330 FOR REPLY ON 8THDECEMBER, 2016 REGARDING 'WELFARE SCHEMES/ PROGRAMMES BY MINING COMPANIES' ASKED BY SHRI LAXMAN GILUWA & SHRI HARISHCHANDRA CHAVAN.

(a): The mining companies operating in tribal areas and otherwise are required to comply with the provisions contained in the Mines Act, 1952 and Mines Rules for the welfare of workers employed in mines. Besides the welfare activities for the employees of mines, the mining companies are also obliged under Corporate Social Responsibility (CSR) to spend at least two percent of the average net profit of the company made during the three immediately preceding financial years, towards implementation of CSR activities as per the CSR policy framed by the company under Section 135 of the Companies Act, 2013. Proviso to Section 135(5) of the Companies Act, 2013 also mandates that the companies shall give preference to the local area and areas around it where they operate for spending the amount earmarked for CSR activities.

In addition, Section 9B of Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 provides for establishment of District Mineral Foundation/ Jila Khanij Pratishthan (DMF) in each district affected by mining related operations. The DMF is funded by statutory contributions from holders of mining lease. The Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) provides implementation framework for schemes to be undertaken for welfare and development of mining affected areas and people through the funds collected under DMFs. Directions in this regard have been issued under section 20A of MMDR Act, 1957 on 16.09.2015 to all the State Governments to incorporate PMKKKY into the rules framed by them for the DMF.

PMKKKY provides for utilization of at least 60% of the funds for high priority areas like: (i) drinking water supply; (ii) environment preservation and pollution control measures; (iii) health care; (iv) education; (v) welfare of women and children; (vi) welfare of aged and disabled people; (vii) skill development; and (viii) sanitation. The rest of the funds will be utilized for (i) physical infrastructure; (ii) irrigation; (iii) energy and watershed development; and (iv) any other measures for enhancing environmental quality in mining district.

(b) & (c) :The details of implementation or non-implementation of welfare schemes/programmes as well as activities carried out by mining companies under CSR is not maintained by Ministry of Mines. However, the second proviso to Section 135(5) of the Companies Act, 2013 mandates that if the company fails to spend such amount as mentioned in sub- section 5 of Section 135, the Board shall, in its report made under clause (o) of sub-section(3) of section 134, specify the reasons for not spending the amount.
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